



STATE OF MARYLAND
DHMH

Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – John M. Colmers, Secretary

January 31, 2008

The Honorable Thomas M. Middleton
Chairman
Senate Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen Street
Annapolis, MD 21401

The Honorable Peter A. Hammen
Chairman
House Health and Government Operations Committee
House Office Building, Room 241
6 Bladen Street
Annapolis, MD 21401

Dear Chairmen Middleton and Hammen:

On behalf of the Task Force on Health Care Access and Reimbursement, I am pleased to submit the interim report for the Task Force on Health Care Access and Reimbursement (Senate Bill 107, 2007 Session). The interim report documents the work of the Task Force since inception in September 2007.

The interim report is to contain a recommendation on whether carriers should be prohibited from imposing participation in another carrier's network as a condition in a provider contract. Several meetings were devoted to that question. Carriers and providers briefed the Task Force on their respective positions. Public comment on the question was gathered at the November meeting. The Maryland Insurance Administration provided a thorough explanation for its decision to permit the practice under current law.

The Task Force fully debated whether carriers should be prohibited from imposing participation in another carrier's network as a condition in a provider contract. Members were in general agreement that transparency in provider contracts was beneficial to all parties. Many members felt that providers should know the reimbursement rates under which they were to provide service and be permitted to opt-out if the rates were not acceptable. Several members worried that consumers could face higher premiums, if a prohibition was imposed. Carriers have been asked to document higher costs.

At our last Task Force meeting, the MIA provided example language on how the Insurance Article should be modified to prohibit the carrier's use of the condition. The Task Force did not take a vote on the question as a bill to that effect will come before the General Assembly later this winter. I have promised Task Force members that I will share the full range of views to the Committees, if I am asked to testify on the bill.

The Task Force will continue to meet during the current Legislative Session. Our work will focus on the broad questions of access and reimbursement identified in the charge. If you have any questions, please feel free to contact me at 410-767-4639.

Sincerely,

A handwritten signature in black ink, appearing to read "John Colmers". The signature is fluid and cursive, with the first name "John" and last name "Colmers" clearly distinguishable.

John M. Colmers
Secretary

Enclosure

cc: Task Force Members
Ralph S. Tyler, Maryland Insurance Commissioner
Anne Hubbard, Department of Health and Mental Hygiene
Linda Stahr, Department of Legislative Services
Marie Grant, Department of Legislative Services
Sarah Albert, Department of Legislative Services (5 copies)